Consents given under the Petroleum Act 1998 and Reviews under the Assessment of Environmental Effects Regulations 1999

Shell UK Limited

Merganser Development

Shell U.K. Limited proposes to develop the Merganser field, which lies approximately 230 km east of Aberdeen. The project involves the drilling of two development wells and the installation of an 8" export line tied into the already existing Scoter-Shearwater export line some 3.8 km away.

The two wells will be drilled using a semi-submersible drilling rig and the export line will be trenched and buried to at least 1.0 metre below the seabed.

Operations are planned to commence in the second quarter of 2006 and be completed towards the end of the year. The Merganser reservoir will produce both oil and condensate over an expected field life of approximately 13 years.

The location of the field is not thought to be in a particularly sensitive area and the drilling of two wells using water based mud for the top hole sections and oil based mud in the lower sections is not thought to have a significant environmental impact. All oil based mud and contaminated cuttings will skipped and shipped to shore for treatment.

The laying and trenching of an 8" pipeline will have a short-term environmental impact, but it is predicted that the seabed will recover relatively quickly.

A detailed impact assessment has been undertaken and where the assessment has identified any issues of potential significance mitigation measures are in place to ensure that impacts are kept to a minimum and details of the management systems in place were presented.

After a period of public consultation and having taken onboard the advice from statutory consultees the Environmental Statement was approved on 29 March 2006.